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Report Highlights:

Singapore's economy has made significant progress towards normalization post COVID-19 pandemic. The city-state is heavily reliant on imports of food and energy, the food and beverage industry are largely driven by international tourism and consumer spending.

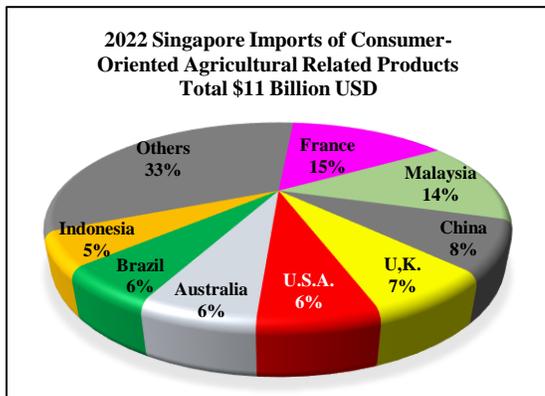
Market Fact Sheet: Singapore

Executive Summary

Singapore's highly import dependent, multi-billion-dollar food industry is driven by robust consumer spending, high disposable incomes, and intense urbanization. The country's trade and regulatory policies are focused on ensuring consistent foreign supply of safe, high-quality food and agricultural products. Singapore's total agricultural and related product import in 2022 reached \$18.9 billion USD, roughly 9 percent of which was sourced from United States. (Trade Date Monitor).

Imports of Consumer-Oriented Products

In 2022, the United States was Singapore's fifth largest supplier of consumer-oriented food and beverage products, with total sales reaching \$709 million USD. Top U.S. products in the market include dairy, fresh fruit, processed vegetables, bakery goods, poultry, and beef products.



Source: Trade Data Monitor

Food Retailers

Singapore's retail foods sector is highly developed and very competitive, with total consumer-oriented imports in 2022 over \$11 billion. It has returned to normalcy post pandemic. Three key players dominate the sector: NTUC Fair Price Cooperative, Dairy Farm International Holdings, and Sheng Siong Supermarket Chain.

Food Processing

The Singaporean food processing industry is relatively small. However, almost all raw materials or ingredients used in the processing industry are imported.

Hotel, Restaurant, and Institutional

Singapore has a highly developed and competitive hotel, restaurant, and institutional (HRI) sector. As COVID-19 restrictions eased, the country hosted 6.3 million visitors in 2022, with revenue spending at \$11 billion. The tourism sector is expected to recover to pre-pandemic levels in 2024. Combined with the return of major summits and an upswing in domestic patronage the HRI sector is looking at significant potential growth. Singapore is expecting 12 to 14 million arrivals and up to \$16 billion in revenue in 2023.

Quick Facts CY 2022

Imports of Consumer-Oriented Products \$11 billion.

Top 10 Growth Products in Singapore

- 1) Dairy Products.
- 2) Food Preparations
- 3) Beef & Beef Products
- 4) Processed Vegetables
- 5) Poultry Meat & Products (excl eggs)
- 6) Chocolate & Cocoa Products
- 7) Fresh Fruit
- 8) Bakery Goods, Cereals & Pasta
- 9) Tree Nuts
- 10) Non-Alcoholic Beverages (excl juices)

Top Singapore Retailers

NTUC Cooperative
Dairy Farm Group
Sheng Siong Supermarket Chain

Singapore's Macroeconomics

Population: 5.9 million people (2023)

(Source: www.singstat.gov)

Per Capita Income: \$ 82,794 USD (2022)

(Source: www.singstat.gov)

U.S. Exporter Opportunities and Challenges

Opportunities	Challenges
<ul style="list-style-type: none"> -The growing Singaporean Retail, Food Processing and HRI sectors are highly dependent on a broad range of imported food products and ingredients. - High disposable incomes drive demand for premium products. - Singapore is a trendsetter and an ideal launch pad for food and beverage concepts. 	<ul style="list-style-type: none"> -The Singapore market is highly competitive and can be very price sensitive for certain products. -China and other regional suppliers have gained significant market share in recent years.
Strengths	Weaknesses
<ul style="list-style-type: none"> -U.S. food and agricultural products are trusted and perceived to be of high quality. -Top U.S. brands are popular and in strong demand. 	<ul style="list-style-type: none"> -Many U.S. exporters are unfamiliar with the market and are therefore sometimes unable to meet specific requirements and order sizes. -Time commitment for brand building can be significant.

SECTION I. MARKET OVERVIEW

The city-state of Singapore, with a population of 5.9 million, is a wealthy, developed, and highly urbanized country. Singapore is heavily reliant on imports of food and energy. It regularly holds top slots in business rankings, positions itself as an economic hub globally. The country's economy is rebounding steadily from the pandemic shutdowns with the manufacturing and services sectors driving growth. It enjoys a low unemployment rate and a well-educated workforce. Its GDP reached \$82,794 USD per capita, ranking 34th among major economies. The country is experiencing higher inflation due to global geopolitical events, global gas and oil price increases that impacted all industries.

The city-state maintains generally simplified business regulatory and taxation systems, well developed infrastructure and innovation-minded businesses, and an open trade system. Singapore's food laws, policies, and enforcement practices are focused on ensuring a consistent foreign supply of safe food and agricultural products. All imports enter Singapore duty-free, but for social and/or environmental reasons, it levies high excise taxes on distilled spirits and wine, tobacco products, motor vehicles and gasoline. Singapore does not impose quotas and tariffs on most imported food and agricultural products. The Goods and Services tax (GST) will be raised to nine percent from eight percent on January 1, 2024. Singapore's total agricultural and related product imports in 2022 reached \$18.9 billion USD, with the United States capturing a nine percent market share.

The COVID-19 pandemic has changed Singapore consumers' behaviors and lifestyles significantly towards buying and demand for food and beverages. Its food and beverage industry is expected to experience trends that are shaped by consumers as well as global economics.

The Regional Comprehensive Economic Partnership (RCEP) free trade agreement which came into force in January 2022 between ASEAN's ten member states, Australia, China, Japan, South Korea, and New Zealand, will support Singapore's position as a trading hub. Singapore is an important partner of the United States with a bilateral, Free Trade Agreement (FTA) signed in 2004.

Demographics

The resident population is comprised of 74 percent ethnic Chinese, 13.5 percent Malay, 9 percent Indian, and 3.4 percent other minorities (SG Dept of Statistics). The major languages spoken are English, the official language, Mandarin, and Malay. It has a low annual birth rate of 1 percent. The city-state's cost of living is the world's highest and a widening income gap (according to Euromonitor income inequality is now greater than in the United States) are major concerns of the Singaporean government. Citizens aged 65 and above, rose to 17.3 percent (SG Dept of Statistics) and is expected to grow to 24.1 percent by 2030.

Advantages

- Singapore is highly dependent on imports for almost all of its food requirements.
- Large, wealthy and affluent population with high disposable incomes and a well-traveled and educated population drives demand for premium products.
- Preference for high quality, wholesome, and natural products (although the market is niche). Younger generations with higher spending power often purchase imported meats, premium fruits, wines, spirits and beers, and pet food.
- A large resident expatriate community helps increase the influence of Western trends and eating habits and the proliferation of western-style restaurants and fast-food chains.
- Consumers generally perceive “Made in USA” or “Imported from USA” and U.S. brands as signs of high quality food and drink products.

Challenges

- Very high rental and operating costs in Singapore make promotional marketing activities more challenging.
- Competition in the Singaporean market is intense, with many countries investing significantly in promotion and market expansion.
- Imported U.S. products can be more expensive than other regional suppliers.
- End-users lack knowledge on use of U.S. products and their versatility.
- U.S. exporters’ inability to service Singapore importers, retailers, and end users, i.e. meeting smaller packaging and reduced pricing that fits the market and providing marketing support.

SECTION II. EXPORTER BUSINESS TIPS

Market Research

FAS/Singapore recommends conducting market research in areas such as:

- Export documentation and Singapore food laws, packaging and labeling requirements, and importers’ criteria for entry into the Singapore market. Detailed information can be found by accessing the [latest Food and Agricultural Import Regulations and Standards Country Report](#).
- Develop an Export Plan outlining the steps to develop global sales. (Tips can be found in: <https://www.trade.gov/develop-export-plan>).
- Product fit (bearing in mind the diversity of Singaporean consumers).
- Customer cultural preferences and demand in the market.
- Product potential compared with competing foreign suppliers.
- Market segmentation
- Pricing strategy including competitiveness.
- Packaging, in terms of size and quality.
- Marketing communications necessary to create brand support and education.
- Trade statistics and import trends for similar type products.

Market intelligence and market sector reports on Singapore are available online at: <https://gain.fas.usda.gov>. U.S. exporters can seek the assistance of [State and Regional Trade Groups](#) for more information on USDA-funded trade missions, trade shows, and exporter-tailored programs, or can contact the FAS Singapore office at: agsingapore@usda.gov.

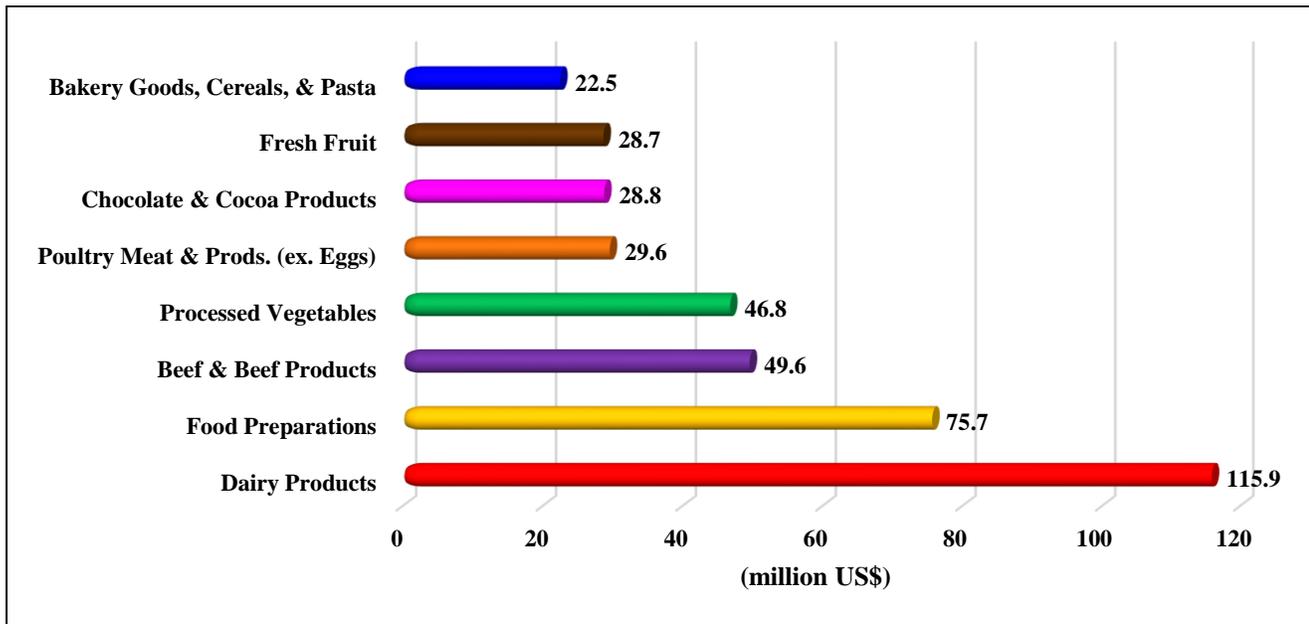
Local Business Practice/Customs

- Singapore is a cosmopolitan country and follows standard international business practices. Singapore's laws are patterned after the British legal system. English is the main working language and business etiquette is largely relationship-based.
- Letters of credit are widely used, with payment terms of up to 60 days only when a long history of business relationship is established. In some cases, U.S. exporters may request that buyers pay for airfreight and handling costs of samples if they become prohibitive.
- U.S. exporters are advised to appoint local distributors, or at least a local representative, to help navigate the government requirements and local trading practices. As in all business relationships, U.S. exporters are advised to conduct due diligence, company background checks, and select agents who are knowledgeable and have proven track records and experience in their products.
- Financial and credit arrangements are not the same as in the United States. With few exceptions, supermarket chains, restaurants, and other retail customers expect suppliers to provide credit terms of up to 60 to 90 days.
- Note that a Singapore importer/company must have a trader's license and be registered with the Singapore regulatory body, [Singapore Food Agency](#) (SFA) and [Accounting and Corporate Regulatory Authority](#) (ACRA), before they are allowed to import food products into Singapore.

Trends

- Singaporeans are affluent and well-traveled, and relatively high levels of disposable income drive Singapore's demand for premium quality food and beverage products.
- The pandemic has accelerated the adoption of digitalization as consumers are embracing e-commerce through popular third-party platforms such as Shopee, Lazada and Amazon. There is also a rise in co-branding and/or brand collaborations. Live e-commerce and livestreaming utilizing social media platforms such as Facebook are new concepts.
- Artificial Intelligence (AI) has also been adopted in the F&B industry, for example, robotics and automation have filled small roles where there is labor shortage. It is common to see non-cash transactions in tandem with the rapid growth of fintech in the country.
- Health and wellness trends continue to be prevalent as consumers pay more attention to their wellbeing. Consumers strive to stay informed and prefer healthy food products; often looking for reduced sugar, salt and/or fat content. More consumers are paying more attention to product nutrition labels. The government's mandate on nutri-grade labeling on pre-packaged, sugar sweetened beverages (SSB) which took effect January 2023 have impacted the sale of sweetened beverages.
- Convenient food products such as recipe-specific cooking sauces and dry sauces that shorten meal preparation times, ready-to-eat Asian meals and soups, shelf-stable, chilled or frozen are gaining popularity as time-strapped Singaporeans seek convenience in meal preparations.
- Plant-based and novel foods continue to grow. The "meatless" meat and seafood or plant-based meat are readily available in supermarkets, e-commerce platforms, and the foodservice sector. Localized plant-based foods such as dim sum, luncheon meats, and frozen ready meals are now available in the marketplace. These foods appeal to vegans/flexitarians and/or those seeking options in their diets.

Table 1: Top U.S. Consumer-Oriented Food and Beverage Exports to Singapore in 2022



Source: U.S. Census Bureau Trade Data

Table 2: Competition in the Consumer-Oriented Product Sector

Product Category (2022)	Major Supply Sources (2022)	Foreign Supplier Situation	Local Supplier Situation
Beef and Beef Products Net Imports: \$351million	<ol style="list-style-type: none"> 1. Brazil: 34% 2. Australia: 25% 3. United States: 15% 4. Japan: 8% 	Australia & Brazil are traditional suppliers and cheaper. Brazil competes in the frozen beef segment, while Australia competes in both.	Singapore does not produce beef.
Pork and Pork Products Net Imports: \$335 million	<ol style="list-style-type: none"> 1. Brazil: 42% 2. Germany: 13% 3. Australia: 11% 4. Spain: 9% 5. China: 7% 6. Netherlands: 5% 7. United States: 4% 	Brazil dominates the frozen segment. Australian pork dominates the fresh/chilled market. U.S. processed pork is growing in popularity.	Live pigs from Indonesia are imported and slaughtered. Most of the locally slaughtered meat is sold at wet/traditional markets and supermarkets.
Poultry Meat and Products Net Imports: \$610 million	<ol style="list-style-type: none"> 1. Brazil: 58% 2. Thailand: 23% 3. United States: 5% 4. Malaysia: 5% 	Brazilian poultry is currently price competitive in the Singaporean market.	Malaysian live chickens are imported and processed in-country.

Seafood Products Net Imports: \$1.3 billion	1. Malaysia: 15% 2. China: 14% 3. Vietnam: 10% 4. Japan: 9% 5. Norway: 8% 14. United States: 1.5%	ASEAN countries and China dominate the market. Fresh/chilled/frozen prawns, live crabs, frozen cuttlefish, and squid are key products.	90 percent of seafood is imported. The remainder is supplied by sea-based Singaporean aquaculture operations.
Fresh Fruit Net Imports: \$566 million	1. China: 15% 2. Malaysia: 14% 3. Australia: 13% 4. United States: 11%	Top U.S. fruits in the market include grapes, oranges, strawberries, and apples.	Singapore produces very little fresh fruit.
Processed Fruit Net Imports: \$152 million	1. China: 21% 2. Indonesia: 12% 3. Malaysia: 11% 4. United States: 10%	U.S. processed fruits are highly popular; some are repacked as private local brands.	Singapore is not a significant producer of processed fruit.
Tree Nuts Net Imports: \$165 million	1. Malaysia: 23% 2. Indonesia: 20% 3. United States: 14% 4. Thailand: 11%	Along with cashews from neighboring countries, U.S. nuts are very popular. Some U.S. nuts are repacked under local brands.	Singapore is not a major producer of edible nuts.
Wine and Beer Net Imports: \$993 million	1. France: 61% 2. Australia: 11% 3. Italy: 4% 4. Japan: 3% 5. United States: 3%	France dominates the premium wine market. U.S. wines are growing in popularity.	Singapore does not produce wine. Asia Pacific Breweries, Singapore's largest beer manufacturer, dominates the beer market.

Source: Trade Data Monitor

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Singapore's food retail sector is one of the most highly developed and competitive markets in the Southeast Asia region. The industry is comprised of a range of large supermarkets/hypermarkets, convenience stores, "mom and pop" traditional stores, and specialty retailers. In 2022, the country's total retail food and beverage sales were over \$7 billion USD with forecasted sales to reach \$8 billion in 2023. The sector is dominated by three key players: the *NTUC Fair Price Cooperative*, *Dairy Farm Group*, and *Sheng Siong Supermarket Chain*. Please refer to the [Singapore Retail Food Annual 2023 GAIN Report](#).

The country's hotel, restaurant, and institutional (HRI) sector is also highly developed and competitive. The food service industry, which includes hotels, restaurants, casual dining, fast food outlets and local food stalls is highly diverse with a broad range of Asian and Western cuisines widely available. The sector continues to face challenges of escalating overhead costs of food ingredients, rent, utilities, and a general lack of skilled labor in the market. Total sales in consumer foodservices were valued at \$9 billion USD in 2022 and are expected to rise in 2023. For more details on the HRI sector, please refer to the latest [Singapore HRI Annual 2023 GAIN Report](#).

Singapore’s food processing sector is modest and is comprised of mainly small and medium-sized enterprises. Its main products include flavorings, sauces, ready-to-eat meals, noodles, deli meat, sausage, confectionary, chocolates, snacks, and beverages (including beer). Almost all raw materials for the Singaporean food processing industry are imported, as local agricultural production is minimal. For more details on the food processing sector, please refer to the [Singapore Food Processing Industry Annual 2023 GAIN Report](#).

SECTION IV. AGRICULTURAL AND FOOD IMPORTS

Table 3. U.S. Exports to Singapore (thousand USD)

Product	2018	2019	2020	2021	2022	2022/2021
	Value	Value	Value	Value	Value	Period/Period % Change
Intermediate Total	323,826	424,103	658,742	843,393	955,129	13
Consumer Oriented Total	656,068	685,837	657,401	673,370	708,874	5
Bulk Total	29,361	31,793	37,085	31,916	38,964	22
Agricultural Related Products	25,058	27,611	18,768	22,931	27,935	22
Grand Total	1,034,313	1,169,344	1,371,996	1,571,610	1,730,902	10

Source: Trade Data Monitor

Table 4: Best Prospective U.S. Products for the Singaporean Market (million USD)

U.S. Product	2022 Singapore Total Import Value	2022 Total Import Value from the United States	2022 U.S. Market Share
Fresh Fruit	\$566	\$60	11%
Beef & Beef Products	\$351	\$52	15%
Bakery Goods, Cereals & Pasta	\$578	\$25	4%
Tree Nuts	\$165	\$23	14%
Seafood	\$1,285	\$19	1%
Processed Fruit	\$152	\$15	10%
Pork & Pork Products	\$335	\$13	4%

Source: Trade Data Monitor

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Organization	Address	Contact
USDA Foreign Agricultural Service American Embassy Singapore https://fas.usda.gov/	27 Napier Road Singapore 258508 Tel: (65) 6476-9120	Email: AgSingapore@usda.gov
U.S. Dairy Export Council	20 Martin Road Seng Kee Building, #08-01 Singapore 239070 Tel: (65) 6230 8550	Dalilah Ghazalay Regional Director, SEA Marketing & Operations Email: dali@dairyconnect.biz
U.S. Grains Council	14-1 Wisma UOA Damansara II No. 6, Changkat Semantan, Damansara Heights 50490 Kuala Lumpur, Malaysia Tel: (60) 3 2093 6826	Caleb Wurth Regional Director, SE Asia & Oceania Email: usgckl@usgc.com.my
U.S. Meat Export Federation	627 A Aljunied Road #04-04 Biztech Centre Singapore 389842 Tel: (65) 6733 4255	Sabrina Yin, Regional Director Email: singapore@usmef.com.sg
USA Poultry & Egg Export Council	3 Ang Mo Kio Street 62, #07- 05 Link@AMK Singapore 569139 Tel: +65 6586 0940	Thomas Tan ASEAN Consultant
California Wine Institute Food Export-Midwest Food Export-Northeast Western U.S. Agricultural Trade Association	48 Toh Guan Road East #02-129 Enterprise Hub Singapore Tel: (65) 6515 6113	Richard Lieu Chuah Siew Keat Emails: richardlieu@lieumktg.com.sg ; siewkeat@lieumktg.com.sg
The Cranberry Marketing Committee	36 Carpenter Street Singapore 059915 Tel: (65) 8533 8475	Gregoire Debre Email: Gregoire.debre@terroirns.com
U.S. Rice Federation	6 Battery Road, #30-00 Singapore 049909 Tel: (65) 6930 3320	Dalilah Ghazalay Country Director Email: dali@exportdevt.com
U.S. Soybean Export Council	541 Orchard Road #11-03 Liat Towers Singapore Tel: (65) 6737 6233	Timothy Loh, Director Email: TLoh@ct.ussec.org
U.S. Wheat Associates	#15-02 Liat Towers Singapore Tel: (65) 6737 4311	Joe Sowers, Regional Vice President for South Asia Email:

		<u>InfoSingapore@uswheat.org</u>
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Attachments:

No Attachments